

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 8<sup>th</sup> day of  
June, 2016.

In the Matter of Roy-L Utilities, Inc. Request	)	<b>File Nos. WR-2016-0109</b>
For Increase in Annual Water and Sewer	)	<b>SR-2016-0110</b>
Operating Revenues	)	Tariff No. YW-2016-0321

**ORDER APPROVING SMALL COMPANY RATE INCREASE  
AND APPROVING TARIFF**

Issue Date: June 8, 2016

Effective Date: July 1, 2016

This order approves the Disposition Agreement between the Staff of the Commission ("Staff") and Roy-L Utilities, Inc. ("Roy-L"). It also approves a tariff implementing the agreed-upon rate increase.

On November 9, 2015, Roy-L initiated a small company rate increase request under Commission Rule 4 CSR 240-3.050, seeking an increase in its annual water and sewer service operating revenues. The company provides retail water service to approximately 57 sewer customers and 60 water customers near the City of High Hill in Montgomery County, Missouri. In response to Roy-L's request, the Commission's Staff audited the company's books and records, reviewed the company's existing tariff, inspected the company's facilities, and reviewed the company's operation of those facilities.

On May 6, 2016, Staff and Roy-L filed a disposition agreement ("The Agreement") to resolve all issues between them. It reflects agreements reached between the parties as to appropriate accounting of company assets, payroll, structural updates, depreciation and

customer rates. Roy-L also filed a tariff bearing an effective date July 1, 2016 to implement the rates agreed upon in The Agreement.

In detail, The Agreement provides for the water increase of \$10,858 to be added to the existing Missouri final adjusted jurisdictional revenues of \$17,138 for an increase of 64.4% and total annual revenue of \$27,996. The rate base agreed upon is \$53,022 and the agreed upon capital structure is 26.62% equity with a return of 11.07%. Further, The Agreement provides for the sewer increase of \$8,574 to be added to the existing Missouri final adjusted jurisdictional revenues of \$14,268 for an increase of 60.9% and total annual revenue of \$22,842. The rate base agreed upon is \$47,172 and the agreed upon capital structure is 26.62% equity with a return of 11.07%.

The Office of the Public Counsel (“OPC”) did not join in that disposition but requested that the Commission conduct a local public hearing to obtain testimony from Roy-L’s customers. That local public hearing was held on May 23, 2016.

On May 27, 2016, Public Counsel filed a position statement. OPC stated that it does not oppose The Agreement or the related tariff revisions to implement it. OPC also stated that it does not request an evidentiary hearing.

The Commission has authority to accept a disposition agreement as offered by the parties pursuant to 4 CSR 240-3.050(25). The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence.<sup>1</sup> Since no one has requested a hearing, the Commission may grant the relief requested based on the disposition agreement.

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<sup>1</sup> *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

The Commission independently finds and concludes that The Agreement is reasonable and should be approved. Furthermore, Roy-L's proposed tariff and the rates it establishes are just and reasonable and will be approved.

**THE COMMISSION ORDERS THAT:**

1. The Disposition Agreement concerning Roy-L Utilities, Inc.'s request for a rate increase is approved.
2. Roy-L Utilities and the Commission's Staff shall comply with the terms of the Unanimous Disposition Agreement.
3. Tariff No. YW-2016-0321, filed by Roy-L Utilities on May 11, 2016, is approved for service on and after July 1, 2016. The tariff sheet approved is:

**P.S.C. MO No. 3, 1<sup>st</sup> Revised Sheet No. 4**

Cancelling P.S.C. MO No. 2, Cancelling Original Sheet No. 4

4. This order shall become effective on July 1, 2016.
5. This file shall be closed effective July 2, 2016.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Hall, Chm., Stoll, Kenney,  
Rupp, and Coleman, CC., concur.

Pridgin, Deputy Chief Regulatory Law Judge